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Chair

Mr. Tom Lukiwski

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● (1100)

[*English*]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, I think we'll convene the meeting now. I see everyone seated at the table.

Colleagues, as we all know, yesterday was a tough day. Hopefully today will be a little better, and I'll leave it at that.

Mr. Brison, welcome to you and your officials. Minister, you've been at our committee many times in the past, so you know the drill. We'll look to you for a short opening address, and following that we will have a series of questions from our colleagues around the table.

My understanding is, Minister, you will be here for the first hour, and then your officials will stay here for the remaining second hour. Is that correct?

Hon. Scott Brison (President of the Treasury Board): That's right.

The Chair: Okay. Thank you for that.

Minister, the floor is yours.

Hon. Scott Brison: Thank you, Mr. Chair.

I want to start off by expressing my condolences and sadness at the loss of our colleague, Gord Brown, yesterday, and to all parliamentarians, because we are part of a broader parliamentary family, but particularly to our Conservative colleagues. I knew Gord well, and Claudine, and this is a great loss. He was a very good person.

Mr. Chair, I'm pleased to be here with you today. I'm thankful for the invitation to talk about the 2018-19 main estimates.

I have with me Taki Sarantakis, the associate secretary of the Treasury Board; Marcia Santiago, the executive director; Renée LaFontaine, the chief financial officer; and Brian Pagan, who's back with us now. Brian broke his leg a few weeks ago playing hockey, but he's back with us now. We're glad to have you back on the ice, as it were, Brian.

On April 16, I tabled the 2018-19 main estimates. These provide information to support the government's request that Parliament approve $276 billion of spending to deliver programs and services in the fiscal year starting April 1, 2018.

[*Translation*]

Through these main estimates, the government continues to make important investments in Canadians' priorities: growth, progress, reconciliation and advancement, as part of our plan to grow and strengthen Canada's middle class.

We are also living up to the commitments we made before Parliament, and we are doing so in a way that is open, transparent and accountable.

[*English*]

For the first time in recent history, the main estimates include 100% of the measures announced in the budget for this year. This is a major step forward, and it's been made possible, in part, by changing the tabling date of the main estimates to mid-April, after the budget. As a result, parliamentarians now have a document that is relevant and complete, so that they can better hold government to account on how it spends taxpayer dollars. To do this, we have added a new, centrally managed budget implementation vote, TB vote 40, to the main estimates. Parliamentarians can now trace each and every allocation from this new central vote to a specific line in the budget, table A2.11, and in the main estimates, annex 1. This is a level of transparency not available in the previous estimates that parliamentarians have been debating and voting on for years.

We have heard the argument that the legal constraints placed on the use of funds in the budget implementation vote are not sufficiently binding and that the government could use this vote to fund whatever it wants. That is categorically false.

Let me give you an example of how the budget implementation vote works. Budget 2018 proposes a number of important investments, including $154 million to the Department of Health to address the opioid crisis. These funds are reflected in the 2018-19 main estimates budget implementation vote. Let's just say that over the course of the year, the opioid crisis worsened and the government decided it needed to spend more. If the government wanted to increase funding for this, or for any other budget measure identified in the budget implementation vote, a separate funding decision would be required and Parliament would be asked to provide additional approval. To repeat, using the budget implementation vote to exceed the allocations listed would be an unauthorized use of public funds.

Mr. Chair, I've been very clear on this from the very beginning. The main estimates document itself tabled in Parliament says that the budget implementation vote is "for new measures approved and identified in table A2.11" of the budget. This table is also included as an annex to the main estimates.

As our Auditor General has said, the government is bound by those line-by-line allocations. To quote the Auditor General, "You can't just decide somebody else should get more and somebody else can get less. To me, that's not the authority that [the government has] been given by Parliament."

The Auditor General is right. That's why I've said repeatedly, on the record, that the use of the budget implementation vote is legally binding to the allocations in that table. Exceeding those allocations through this vote cannot happen without additional parliamentary approval.

I spoke to the PBO earlier this week and we discussed the idea of including allocations in the wording of the vote itself for even more clarity and to provide him and Parliament with even greater assurance. Based on that conversation, I'm confident that this will provide the greater certainty that he's looking for. To provide as much clarity as possible, we will be listing the allocations within the appropriation bill itself when it's tabled this spring.

Another element of the PBO's report was the assertion that the budget implementation vote does not allow sufficient oversight by parliamentarians. In fact, parliamentarians not only still have the opportunity to study and vote on the budget and the estimates and the appropriation bills for the main and supplementary estimates. For the first time, they also have at their disposal a detailed disclosure of the measures to be funded from the central vote in both the budget plan and the main estimates.

● (1105)

[*Translation*]

In other words, for the first time ever, when MPs are voting on the main estimates they will know, initiative by initiative, where the budget money is going. This is a huge step forward for parliamentary oversight.

[*English*]

Parliamentarians will also be able to see allocations to departments and remaining balances for the line-by-line budget measures in monthly reports online and in the next available estimates. Thanks to these important changes, parliamentarians now have more control over government spending than ever before.

Mr. Chair, as you know, in our system of government the ability of parliamentarians to hold the government to account is of the utmost importance. To that end, we have made a number of important improvements. In addition to changing the timing of the main estimates to mid-April so that the budget items can be included, we have also increased transparency by reporting on frozen allotments.

Beginning with the 2015-16 supplementary estimates (C), we now publish an online annex that provides Parliament with an early indication of the lapses expected for the fiscal year. This improvement, the PBO says, "represents an important increase in fiscal transparency, ensuring that parliamentarians are on a less unequal footing with the Government".

Beginning with the 2016-17 supplementary estimates (A), we also now provide parliamentarians with a reconciliation of the accrual expense forecast in the budget with the cash expenditure forecast through the estimates process. Again, this development has been cited by the PBO as a positive step forward in transparency and in efforts to align the budget and estimates process.

Moreover, we have reformed annual departmental reports so that parliamentarians can get better information on planned spending, expected outcomes, and actual results. On that note, I would encourage the committee to finalize its review of the pilot project on purpose-based votes to address the difficulty parliamentarians have in connecting the money we vote for with the program it will actually be used for. I firmly believe that strengthening the link between votes and the purpose or desired results of a program will further strengthen parliamentary oversight of government spending.

Mr. Chair, I appreciate the opportunity and the invitation to join your committee today. Through the changes I've discussed this morning, we are improving the clarity, transparency, and accountability of government spending. In so doing, we are empowering parliamentarians to hold the government to account for how its spends tax dollars.

● (1110)

I'm looking forward to the questions and the discussion.

The Chair: Thank you very much, Minister.

We'll start with the questions now.

Madam Ratansi, you have seven minutes, please.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you, Minister, and thank you for being here.

Thank you as well for the clarification around how you're increasing the accountability and transparency in the process by aligning the estimates and the budget and by bringing in the budget implementation vote, which, you say, binds the amounts listed in the table that shows the allocation for each budget initiative. But there is still some consideration around whether this is certain or not, and whether there's a slush fund that's available to you to use. I know that in the previous government there was an accountability act and that there is this confusion, because the accountability act did not function properly. I used to be the chair of the government operations committee, and I know some of the things we had to discuss.

One, could you tell us how your process will give certainty to parliamentarians that they can look at additional spending and be guaranteed that you will give them that opportunity? And two, how is this process different? What has the government done to give parliamentarians access to better and more timely information?

Thank you.

Hon. Scott Brison: Thank you, Yasmin. I appreciate your questions.

The Auditor General has said that he is satisfied that our new budget implementation vote is legally bound to the items and amounts listed in budget table A2.11. That is our government's intent. It's also our legal interpretation.

I'm proud that we are adding this amount of transparency and accountability and that it empowers Parliament much more than the previous budget estimates process. I want to ensure that there can be no doubt as to our government's intent for even the most skeptical amongst us; not that you're skeptical, but you are a chartered accountant, I believe.

Ms. Yasmin Ratansi: Yes, I am.

Hon. Scott Brison: That's why we're taking a further step, to actually take all the items listed in budget table A2.11 and put them in the supply bill for those people who can't connect the annex to the main estimates, which clearly indicate that. I'm just taking a further step to make that clear. It's part of a broader results-based approach that our government is taking. The Treasury Board is very engaged in reporting not just programs but results, and in some cases, even challenges we're having on specific programs, so that the public is aware of what we're investing in and that we're not just looking at outputs in terms of spending but actually measuring outcomes.

As I said earlier, one of the things I want to do more of is purpose-based votes whereby parliamentarians have even more input, and ultimately, authority. Again, on this, just simply sequencing the main estimates after a budget makes the discussion this morning a far more pertinent one than the ones we used to have where the main estimates would come out and a few weeks later the budget would come out. Basically, all the discussion we had on the main estimates up to that point would be rendered out of date, and to a certain extent, less relevant. It's something on which *The Globe and Mail*, in 2016, said:

> the current sequence is bad to the point of absurdity, with spending estimates usually coming before the budget, and in a different accounting format, rendering them virtually meaningless. It's a discredited practice that has only served to keep MPs in the dark about how tax dollars are being spent.

It is something we take very seriously. As some of you might be aware, I'm coming up on 21 years as a member of Parliament, and most of those years have been spent in opposition and at committee. It is one of the reasons I personally feel very vested in our work to make government, not just our government but future governments, more accountable to Parliament. It is absolutely fundamental to what we do. We've made significant progress and will continue to work to make more progress.

● (1115)

Ms. Yasmin Ratansi: I'm very familiar with the estimates and the budgets really not making any sense to anybody when they were misaligned.

How have we made the system so much more open, such that parliamentarians can see the figures? How is this approach different from the previous approaches?

The Chair: Minister, you'll have about 60 seconds to make, hopefully, a comprehensive answer.

Hon. Scott Brison: Again, the sequencing certainly makes the exercise more relevant, but in actually having the list, line by line, that binds the government, we can't exceed those amounts without coming back to Parliament. If you look at the level of detail provided within table A2.11, it is very significant in terms of its granularity.

For the first time in recent history, the main estimates will actually include 100% of the measures announced in the budget for the fiscal year. Beyond that, it is creating within government, not just between the Department of Finance and Treasury Board but with departments, a different working relationship in terms of the budget estimates process. I believe it's not only more transparent, but also more effective in terms of how we are conducting our business.

The Chair: Thank you very much.

[*Translation*]

Mr. Deltell, you have seven minutes.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

I would like to welcome the minister, as well as our colleagues and friends from the public service.

[*English*]

Obviously, all our thoughts today are with the late Gordon Brown, and especially with Claudine and their two children.

[*Translation*]

Mr. Chair, we are here today to talk about the main estimates. Given that this is the Treasury Board president's most important responsibility, we are analyzing each expenditure made according to the estimates that are tabled at the House of Commons and voted on.

The main estimates tabled by the Treasury Board president is unique, because it provides for expenditures upwards of $7 billion that cannot be directly identified nor accounted for. I am talking about vote 40. This vote has already been harshly condemned or, to put it in more polite terms, it was not viewed in an entirely positive light by the parliamentary budget officer, who had this to say:

> With the money requested for TB Vote 40, TBS is effectively requesting that Parliament provide funding in advance of this scrutiny.

This obviously goes against our guiding principles as parliamentarians, which state that each expenditure should be authorized by a vote at Parliament. This is not the case here, however. Moreover, allow me to tell you how vote 40 is described. I will read to you exactly what is stated:

> —Authority granted to the Treasury Board to supplement, in support of initiatives announced in the Budget of February 27, 2018, any appropriation for the fiscal year, including to allow for the provision of new grounds or for any increase to the amount of a grant that is listed in any of the Estimates for the fiscal year, as long as the expenditures made possible are not otherwise provided for and are within the legal mandates of the departments or other organizations for which they are made.

Just to let you know that I gave a copy of the English text to the interpreters.

All this to say that that this is gobbledygook. Rather than a run-on sentence, the government could have just used a short phrase to indicate that it will do as it pleases with $7 billion. That is the reality. You are asking for a blank check to the tune of $7 billion without giving any details.

We do understand that there are unexpected events. This is why, historically, the government has always had a contingency fund for those very situations. It sets up a contingency fund of a few hundred million dollars, say a maximum of $750 million, which is fine, but not $7 billion.

Can the Treasury Board president, who brags about being the most transparent president in the history of Canada, explain why he is asking parliamentarians to give him a check for $7 billion to spend as he likes in the fiscal year preceding our elections?

● (1120)

Hon. Scott Brison: With all due respect, Mr. Deltell, that is patently false. We are providing information on the measures that will be funded using the central votes, such as the main estimates. There will be monthly updates posted online on the measures approved by Treasury Board and funded by budget implementation votes.

[*English*]

What you're saying, Mr. Deltell, is false. The fact is that every line-by-line item you see on table A2.11—and this is referred to in the estimates in the annex—binds the government to not exceed those. Even for a case of an emergency situation—and as I cited the opioid crisis—if it worsened and we needed to increase...we would have to come back to Parliament.

You're an experienced parliamentarian, Mr. Deltell, and if I may say, quite an effective one. You've been in the provincial legislature, the National Assembly. You would be familiar with these processes. I understand you're playing politics, and that's fine. You're entitled to your opinions but you are not entitled to your parallel facts. The fact is that, line by line, every item in here on table A2.11 binds the government to not exceed those amounts without going to Parliament.

The Auditor General has also agreed with that. In fact, to make it more clear, we will actually take those items and we will put those line-by-line items in the supply bill so that you don't have to cross-reference, because obviously that is taking up too much work for you.

I'm trying to help.

The Chair: You have one minute left.

[*Translation*]

Mr. Gérard Deltell: You say that you want to help us. You may pass judgement on what I have just said, but the problem is that I'm not the only one who is thinking this way. The parliamentary budget officer said exactly the same thing:

> ...virtually none of the money requested in the new Budget Implementation vote has undergone scrutiny through the standard Treasury Board Submission process, which as indicated by the government, is to "ensure resources are directed to programs and activities that remain government priorities and achieve value for money."

The parliamentary budget officer is telling you that you are not following the rules and that you will have $7 billion worth of expenditures for all departments, all at Treasury Board's pleasure.

I am sorry, Sir, but it is not Treasury Board that passes the laws and implements budgets, it's the Parliament of Canada.

Hon. Scott Brison: Mr. Chair, it is interesting to see the Conservatives' sudden interest in the work of the parliamentary budget officer. The very same Conservatives who had to be taken to court by the PBO in order to be able to obtain some information...

Mr. Gérard Deltell: The PBO's statement is correct, is he not?

Hon. Scott Brison: The very same Conservatives who said that the former PBO was not credible nor reliable...

● (1125)

Mr. Gérard Deltell: Do you agree with the current PBO?

[*English*]

Hon. Scott Brison: The interest the Conservatives have in the Parliamentary Budget Officer's—

Mr. Gérard Deltell: Do you agree with the current Parliamentary...?

Hon. Scott Brison: I've always demonstrated great respect for the work of the Parliamentary Budget Office.

Mr. Gérard Deltell: Do you respect what you're saying now?

Hon. Scott Brison: The reality is the Conservatives had to be taken to court to provide—

The Chair: Gentlemen, as much as I'm totally engaged in this, we are out of time. I'm sure this conversation will continue as we go around the table, but we have to move on to Mr. Blaikie for seven minutes, please.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much, Mr. Chair.

When you talk about tabling items from A2.11 into the appropriations act, will you include the amounts in the table as well? For as much as you say you're bound to spend only on what's in the table, it's not clear to me where the authority comes from for that. If it's not in the wording in the bill, where is the legal constraint? And if it's in the wording of even the main estimates where it says that the vote is for "new measures approved and identified in Table A2.11 of Budget 2018", that doesn't commit the government to the numbers in the table.

Hon. Scott Brison: Again, the annex in the main estimates refers to the table, and the table provides the amounts granularly. We will go further and take the items as listed line by line and put them—

Mr. Daniel Blaikie: With the amounts?

Hon. Scott Brison: —in the supply bill. Brian, they will have the amounts. There's no reason we wouldn't. I wouldn't put them in without the amounts, Mr. Blaikie. But we will do that, and you will appreciate—

Mr. Daniel Blaikie: Are you going to take the items from the budget table, or from the annex in the main estimates? There are some discrepancies between the annex in the main estimates that's supposed to mirror what's in the budget and the budget table itself. For instance, under the Department of Industry, two programs that appear in the main estimates table don't appear under that same department in the budget table. There's a suggested allocation for regional development agencies, and for a new women entrepreneurship strategy under that department that wasn't reflected in the budget. Which is it? Are you going to use the numbers from the appendix in the main estimates, or are you going to use the numbers from the budget?

Hon. Scott Brison: The annex items are more detailed, and we would provide that level of detail.

Mr. Daniel Blaikie: Why do we continue to talk about the table in the budget when we're talking about the information in the main estimates, and they're not exactly the same?

Hon. Scott Brison: You're asking a very good question, Mr. Blaikie. The reality is that the information we've laid out both in the main estimates, which is more detailed, and the line by line items in table A2.11 in the budget should clear up any questions. The wording they're putting in the supply bill—

Mr. Daniel Blaikie: Are we going to get the wording for the supply bill when this comes to the committee of the whole, or are you committed to working with opposition parties in advance to ensure that we find the wording satisfactory as well?

Hon. Scott Brison: If we put the level of detail from the annex into the supply bill, I can't imagine there being dissatisfaction with that level of—

Mr. Daniel Blaikie: It's going to be in the wording. You didn't imagine there would be dissatisfaction with the original wording of the appropriation bill, and there was.

Hon. Scott Brison: I still find it hard to believe, to be honest.

Mr. Daniel Blaikie: What I want to know is, are you going to be speaking to us prior to tabling the bill so that we can let you know whether or not we find the wording satisfactory before Parliament is put on the spot?

Hon. Scott Brison: We will take that under advisement.

Mr. Daniel Blaikie: So that's neither a yes nor a no.

Hon. Scott Brison: I keep saying yes.

Mr. Daniel Blaikie: What I'd like to know, because you're the principal spokesperson for Treasury Board, obviously, is whether you think that the costing process at Treasury Board provides a level of rigour and detail that the budget costing process does not.

Hon. Scott Brison: I believe that the working relationship between Finance and Treasury Board—

Mr. Daniel Blaikie: Do you think that process adds rigour and detail to a significant degree over what's presented in the budget?

Hon. Scott Brison: I believe that the budgeting process and the Treasury Board submission process work together very well, and the Treasury Board—

Mr. Daniel Blaikie: But they don't. The reason for the central vote is that those two processes don't work well together. We've heard clearly from the Parliamentary Budget Officer that if Treasury Board and the Department of Finance worked better together, we wouldn't need a catch-all central vote for all the new budget items.

Hon. Scott Brison: The last time I checked the PBO doesn't work at Treasury Board. The reality is—

Mr. Daniel Blaikie: You don't have to work at Treasury Board to see that there's a lack of co-operation, because if you had that co-operation you wouldn't need to have a catch-all central vote.

Hon. Scott Brison: I can tell you there's a very strong level of co-operation between Treasury Board and Finance. In fact, if you look at the level—

Mr. Daniel Blaikie: Well, it's clearly not what's required in order to have budget items in the main estimates, as they do in Australia, which is your preferred example.

● (1130)

Hon. Scott Brison: This is the first time in a long time that we've done this type of alignment between the main estimates and the budget in terms of the sequence, and in the first year we've had a really significant success. You would acknowledge that this is a significant step forward. You've told me that—

Mr. Daniel Blaikie: My question to you is that—

Hon. Scott Brison: Beyond that, in the first year we've achieved the success. As time goes on, this is going to bake in an even stronger working relationship between Treasury Board, Finance, and departments as we use that in terms of strengthening the budget and Treasury Board process.

Mr. Daniel Blaikie: If people aren't just wasting their time at Treasury Board, if the costing process actually adds value.... The PBO is suggesting it does because when they tracked the budget items from 2016, they said that for somewhere in the neighbourhood of 31% of the items, there was either significantly more spent or less spent than what was foreseen in the budget spending.

The question is, if there's valuable work being done at Treasury Board, why should parliamentarians not benefit from that work prior to approving funding, which is the norm, and has been the norm. The central vote authorizes a lot of money—almost $7 billion—because only $221 million of this vote is allocated so far. Those are the only things that have been through Treasury Board. Why should parliamentarians not benefit from a more rigorous costing prior to approving authority for program spending?

Hon. Scott Brison: First of all, we cannot exceed any of these amounts without going first to Parliament.

Mr. Daniel Blaikie: But we can't ask questions about programs that haven't been costed adequately. So, if Treasury Board plays a real role in providing decent costing—

Hon. Scott Brison: I would disagree with what you're saying because Treasury Board and Finance work together even in the budgeting process. They work with departments and—

Mr. Daniel Blaikie: If that relationship exists, why did these items not go through the Treasury Board approval process prior to the main estimates and then get included in the regular departmental estimates?

Hon. Scott Brison: Daniel, you started with the Australian model. The Australian model, where main estimates and the budget come out simultaneously, is a gold standard. That is something that I've said to you, I've said at this committee, that we will attain over time. What we've done here—

Mr. Daniel Blaikie: But what you're asking now is that in the interim, Parliament—

The Chair: Gentlemen, we want to give adequate time for everyone here to hear questions and answers. Having said that, I'd like to move on to Mr. Peterson for seven minutes.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, Mr. Chair.

Thank you to the Treasury Board officials and the President of the Treasury Board for being with us this morning.

I think this process needs to be looked at as a non-partisan process. I think the number one rule as a parliamentarian is to oversee government spending, regardless of what party you're in.

Mr. President, I'm sure you would agree, based on your 21 years of experience—as you said, most of it in opposition—that a fundamental role of a parliamentarian and, indeed, the fundamental role of our parliamentary system is oversight of expenditures by the government. I don't think any member sitting around this table would disagree with that premise—at least, I would hope not.

That begs a few questions, of course, as a member of Parliament. In order to provide effective oversight, and efficient oversight, for that matter, I think we need access to as much information as possible in a timely manner. In that sense, I do think that the new sequencing is a vast improvement over the old way of doing things, so to speak.

Now, you mentioned that the new system will bake into it a stronger working relationship with Finance. Can you elaborate a bit on that? I'm saying, okay, that may be true, and in that sense this is sort of a first step.

How do you see this process evolving to get to the outcome we all want, regardless of what party we're from? Parliament needs information in a timely manner to review expenditures of government to make a decision on whether or not to approve those expenditures. Our role is as basic and fundamental as that. I just wonder how you think the sequencing may be a step in the right direction. And if only a step, what else do we need to do to get to that outcome?

Hon. Scott Brison: First, getting the sequencing right, in and of itself, makes a significant difference. In the weeks just before a budget, the discussions we used to have on main estimates were largely a waste of Parliament's efforts and time, basically rendered irrelevant by the budget a few weeks later. We are now in the position where we can have a more productive discussion on main estimates that contain the budget initiatives.

Over time—and I've been Treasury Board president now for over two years—the working relationship between Treasury Board and Finance is very strong, as it is with individual departments.

The budget submissions and Treasury Board submission process is aligned to an extent that it has not been in the past. I understand that there are people at the Parliamentary Budget Office who may have worked for Treasury Board in the past and they might be surprised at the workings of Treasury Board and Finance and the productive and effective work that is going on today.

As I said earlier, we have great respect for the work of the Parliamentary Budget Officer. In fact, when I spoke to Jean-Denis earlier this week, he was satisfied with the step of actually putting in the items from table A2.11 in the supply bill and I didn't see that as.... It makes it even more plain to the PBO and more plain to Parliament that we are serious about our accountability. Furthermore, as I read that the Auditor General said yesterday, he agreed with the government's assessment that our process as it is now is binding on the government.

We cannot exceed any of those amounts without going back to Parliament and that is a significant step forward. We want to do more. I would hope that parliamentarians of all parties are familiarizing themselves with our new departmental reports that are much more transparent than those that existed in the past. They are also easy to understand and very results-focused. Again, this is important to our government. It's important to me, as a parliamentarian, and I would hope there are certain things on which we should be able to agree. Making the budget estimates process more transparent is one that is good for all parliamentarians, regardless of where you are in the House of Commons.

It's a responsibility that not only opposition members have, but government members or members of the governing party have, to hold government accountable. I'm very pleased with this progress that we've made in a fairly short period. People like Brian and his team have been working on it for a longer time. I believe this is a significant advancement.

Now, Brian or Taki, you may want to add something to that.

● (1135)

Mr. Brian Pagan (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): The main estimates represent the government's expenditure plan. By tabling the main estimates after the budget, we are presenting the full plan for Parliament, so that they have enhanced oversight, in terms of how the government will manage its priorities as articulated in budget 2018, which has been endorsed by Parliament, and as laid out in detail in the estimates through annex A1.

In that way, we are aligned with the budget and at this time, we are presenting the full plan before Parliament. In our understanding, that has been the objective of the work that the president cited over the last number of years.

The Chair: Thank you very much.

We'll now go to our five-minute rounds of questions.

Mr. Kelly, you're up for five minutes.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you.

Minister, you made a significant commitment this morning during your opening remarks, one that we hadn't heard previously, that you will include in the wording of the actual bill the entire table A2.11 and all of the specifics in that table in the wording of the budget.

Why this morning?

● (1140)

Hon. Scott Brison: Let me try to explain this in a way that....

Mr. Pat Kelly: Is it in response to critics who describe, in the absence of that inclusion, that this vote 40 would have in fact been a slush fund?

Hon. Scott Brison: The characterization that you've made is bunk. It is absolutely false.

Mr. Pat Kelly: Without the wording in the bill—

Hon. Scott Brison: The reality is that table A2.11, which is referred to in the main estimates, is binding on the government.

I have four-year olds, two of them, Rose and Claire, twin daughters, and sometimes they ask me for things that are kind of irrational. They get irrational sometimes, but as a parent, sometimes, you just give it to them and it quiets them down and you can go back to your work. It makes a much more productive family, and you can actually get back to the main business.

Mr. Pat Kelly: I'm not sure I understand where this is going. Are you comparing the PBO to irrational children?

Hon. Scott Brison: My daughters are whip smart.

Mr. Pat Kelly: We're talking about the PBO.

Hon. Scott Brison: They're easy to get along with.

The reality is that I would never attack the PBO. In fact, I've always spoken of the importance of the work of the PBO. Furthermore, we're unlike the past government. The PBO actually had to take the Conservative government to court to get information.

The Conservatives called the PBO unreliable and not credible. In fact, the Conservative government was the only government in the history of the British Commonwealth to be found in contempt of Parliament for not giving Parliament information.

Mr. Pat Kelly: Why didn't you include the information in A2.11 in vote 40 itself in the first place? You're now assuring us that, when it's tabled, you will in fact do that. You could have done that from the beginning.

Hon. Scott Brison: It's because obviously you were having difficulties cross-referencing the main estimates to the budget in table A2.11. I'm just making it easier for you.

Mr. Pat Kelly: What you're doing now would in fact make it legally binding, whereas it would not have been before.

Hon. Scott Brison: The Auditor General, in whom I have a great deal of faith—

Mr. Pat Kelly: The PBO, the Library of Parliament, and perhaps the clerks of the House would have all disagreed with you.

Hon. Scott Brison: —considered it legally binding as it was. The Auditor General in whom I place a great deal of trust was very comfortable with this.

Mr. Pat Kelly: If any expenditures, with this inclusion or not, were made outside of the bounds prescribed in A2.11, would you or any other future president of the Treasury Board be in contempt of Parliament, if they were not spent in accordance with that table?

Hon. Scott Brison: If they went above—and I used the example of the opiate crisis and the funding for that—and if we needed to spend more on that crisis, we would have to come back to Parliament.

Mr. Pat Kelly: What if you wanted to spend less? What if you chose to spend less and chose to spend it on a different...?

Hon. Scott Brison: These are for the maximum. You're approving up to that amount. As a Conservative, you should be happy if we spend less, but of course, that wasn't consistent with your government, because you guys always spend more.

In terms of whether we wanted to exceed, these are limits. We cannot exceed these limits because you are approving up to that amount. You're approving up to; that's the way—

Mr. Pat Kelly: You haven't answered my question, Minister.

If you are saying that if you wanted to spend more on that particular piece, I am suggesting, if you did wish to spend less, but to spend instead on something under the budget, which has a number of very vague categories, would that minister then be in contempt if they did so?

Hon. Scott Brison: I'm trying to understand.

The Chair: Minister, we've only got about five seconds left. Perhaps you can get to your answer in the next intervention.

Hon. Scott Brison: I just want to understand the question here. Are you suggesting that, if we spent less, somehow that would be contemptuous of Parliament?

Mr. Pat Kelly: You then wanted to repurpose the money, which, in the absence of wording in the bill, you would have had the authority to do. That's a criticism that—

● (1145)

Hon. Scott Brison: We cannot move from one category to another, sir.

The Chair: We have to break it off.

Madame Mendès, you have five minutes, please.

Hon. Scott Brison: Let's be very clear, these are as they're stated —

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): I'll give you the chance to finish that, Mr. President, to clarify, because that has been my understanding, that if you have a line item in the budget or in the supply bill you're going to spend that money or less, but you can't cross over. You can't pollinate all over the place.

Hon. Scott Brison: Yes, exactly.

Mrs. Alexandra Mendès: But please clarify it.

Hon. Scott Brison: I think you've done a great job of that, Alexandra. I thought it was pretty evident as well.

In the big picture, these reforms make this report the most transparent in recent history. As parliamentarians you are voting on real numbers. You are getting real details, and you are being given the numbers in advance. You can track this on a monthly basis. This will be provided and updated on a monthly basis.

Over time I would like to engage even on the new departmental reporting, because that is equally important in terms of the activities and the results of individual departments and programs. As I've said earlier, I'd like this committee to engage on the whole issue of purpose-based reporting and budgeting.

This is, again, to be absolutely clear, as the Auditor General has said—and I read you his comments yesterday—we are bound by table A2.11 of the budget, which is clearly referred to in the main estimates. Again, if you go to table A2.11, it's quite granular and much more so...in 2009, I believe. Taki, in 2009 what was the—

Mr. Taki Sarantakis (Associate Secretary, Treasury Board Secretariat): It was a budget implementation vote of $3 billion.

The biggest single difference is that budget 2009, vote 35, didn't have any particular line items associated with it, in contrast to this vote 40.

Hon. Scott Brison: That would have been characterized as a slush fund. This can't be.

Mrs. Alexandra Mendès: Mr. President, would you mind commenting on this paragraph from the PBO's report that I find a bit outlandish, "Compared to the old approvals system, TBS due diligence will no longer be performed on new Budget spending measures before the Government asks for Parliament's assent".

I don't understand how this can fit with what you've just explained to us.

Hon. Scott Brison: I think there was some level of confusion there. I think we have cleared that up sufficiently. Brian may want to add to that.

Again, I have great respect for the work of the PBO. We have a working relationship with the PBO and with the Auditor General. The Auditor General, who is a significant authority on these matters, agrees with us. In my discussion with Jean-Denis earlier this week, he expressed comfort with our approach and made this very plain. Taking the items in table A2.11 and putting them line-by-line in the supply bill is a reassuring step.

Mrs. Alexandra Mendès: Yes.

Hon. Scott Brison: It demonstrates that we are serious and throughout this process we are and we will be serious when it comes to our accountability to Parliament for the expenditure of tax dollars.

Brian.

Mr. Brian Pagan: As the PBO notes, this is not the only set vote that TB administers. There are five other votes that total $5.2 billion. There is no detail on those votes in terms of department, initiative, or amount. Obviously, vote 40 compares very favourably in that context, as it does internationally.

We have looked at similar votes in other jurisdictions, including the provinces and Australia, and this is the one vote administered by the central agency that clearly identifies where the money is going by department, by initiative, and by dollar amount.

● (1150)

The Chair: Thank you very much.

Mr. Poilievre, you have five minutes, please.

Hon. Pierre Poilievre (Carleton, CPC): Thank you very much, Mr. Chair.

Mr. President, Mr. Askari, of the Parliamentary Budget Officer's office, described the main estimates bill. It would approve funds "in support of initiatives announced in the budget". That wording was, I quote:

> "very broad and general wording" and "does not compel them" to spend as described.
>
> "It gives the flexibility to government, presumably, to allocate the funds differently than...they had indicated in the budget. To us and to Parliamentarians, that reduces the kind of control and scrutiny they could have over these measures."

That was right from the Parliamentary Budget Officer's personnel.

As a result of this backlash, you're backing down. On behalf of the opposition, I give you credit for that. The government was caught, I think, with its hand in the cookie jar. But, in fairness, the president has listened to the backlash and he has responded today by starting his retreat.

That being said, we cannot, as an opposition, announce support for the decision because we have not had a chance yet to review the exact change that the president has just put on the floor. We will consult with the PBO to ascertain whether he is satisfied now that the President of the Treasury Board has begun this climb down.

We'll put that aside for a moment. I'll just ask about the role of parliamentary committees in reviewing the items contained in the central vote.

For example, in table A2.11, there are funds for the Atlantic Canada Opportunities Agency. That typically would go to the industry committee. Will you be the one to testify at the industry committee when it reviews and approves the estimates for that sum of money?

Hon. Scott Brison: The estimate process, the budget process, and the committee process have been in place for a long time. I don't know how many times I've appeared before this committee.

Hon. Pierre Poilievre: Will you be the one to appear on that particular item, for example?

Hon. Scott Brison: On that item, in fact, on any of these items, Treasury Board is accountable. We are as a government accountable to not exceed those amounts. Now, if at industry committee there is a desire to hear from, for instance, my colleague Minister Navdeep Bains, to talk about that, I'm certain Minister Bains, who is accountable for the expenditures within his department, in ISED, would be more than happy to appear before the industry committee.

Hon. Pierre Poilievre: Would that item then, which is going to fund his department, be voted on at the industry committee?

Hon. Scott Brison: The reality is that there is a committee process in terms of the approval of these expenditures. The finance committee, of course, plays an important role in terms of parliamentary approval, but every parliamentarian has an opportunity to vote on these items through the supply bill.

Hon. Pierre Poilievre: Right, and the committee of the whole.... I'm asking about the specific committees, because in the past, when a CRA measure has come forward, that measure has been voted on at the finance committee because CRA reports to Finance. Will the items in here be voted on separately by their respective committees, or will they all be voted on by this single committee?

Hon. Scott Brison: They will be voted on at this committee.

Hon. Pierre Poilievre: Mr. President, thank you for answering my questions. I appreciate that. You have answered the question—

Hon. Scott Brison: Mr. Poilievre, Mr. Poilievre, Mr. Poilievre.

Hon. Pierre Poilievre: —and I want to thank you for that.

That brings me to my next question.

The Chair: Just one second, and I won't dock any time from you, Mr. Poilievre.

Hon. Scott Brison: Mr. Poilievre.

The Chair: Mr. Minister, just to be clear here, from a procedural standpoint, it would be correct to allow the questioner to complete a question. I know that you have some other opportunities—

Hon. Scott Brison: I answered some of his earlier.

The Chair: —and you will have in your next intervention.

Hon. Scott Brison: Yes, I will.

The Chair: We only have about a minute left, so I'll go to Mr. Poilievre for possibly the last question. You have about 35 seconds, Mr. Poilievre.

● (1155)

Hon. Pierre Poilievre: Instead of the old process that was in place before, members of the finance committee would examine Canada Revenue Agency allocations. Members of the transport and infrastructure committee would review the Canadian Air Transport Security Authority. Members of the heritage committee would review Canadian Heritage allocations. That meant that parliamentarians were able to dig down into those numbers. Instead, based on the answer you've just given, and maybe you'll give a different one, which you've shown you can do today so far, the reality is that a big $7-billion ask will come to a single committee, with roughly a dozen members, and they will be required to provide scrutiny in a short period of time and vote upon the approval for those funds.

The Chair: Mr. Brison, I'm sure you have an answer for that, but we're going to go to Mr. Ayoub. I'm quite certain he will ask you to expand upon the answer you were going to give to Mr. Poilievre.

Mr. Ayoub, you have five minutes, please.

[*Translation*]

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Mr. Chair.

[*English*]

Monsieur Brison, I will give you some of my precious time to answer the question and to realign all the information you can give to the opposition because they need the information.

Hon. Scott Brison: Certainly. John Diefenbaker, former Progressive Conservative prime minister, said that the loudest noises sometimes come from the emptiest drums. Mr. Poilievre purposefully used up all the time because he did not want an answer, because the answer would discredit just about everything he said.

The fact is, our legal interpretation—with the accordance of the Auditor General—is that we are bound to the line-by-line items listed in A2.11. That is the legal opinion. We may differ from time to time with the PBO, and I completely differ with them on this one, with respect for their work.

I could read the supply bill line by line to Mr. Poilievre at night before he goes to bed, and it wouldn't be enough. He would still claim that was not too much. My little girls always say, "One more book, one more book."

This committee is an important committee. For vote 40, there's an accountability for Treasury Board on this. I have demonstrated time and time again my openness to meeting with this committee. Mr. Poilievre could work with their industry critic, as an example, and on items like this, work with other shadow—I think they call them shadowy, or shadowy something—ministers. They could work together and find out what the questions or issues would be. In the same way, a cabinet—or a shadowy cabinet—can work together across portfolios to ensure that Mr. Poilievre and others have the right questions. That's how cabinet works. I don't know how their cabinet worked.

I find it a little rich that the Conservative Party, who were the only government in the history—not just of Canada, but in the British Commonwealth—to have been found in contempt of Parliament for not providing Parliament with information, would be on a moral high horse on this issue. I find it gobsmacking.

I have a secret. I like Pierre. He was my critic when I was public works minister a long time ago. Don't tell him, but he's actually a pretty sharp parliamentarian and he's very political, but sometimes he lets that get in the way of just recognizing that something is good. One of the things I like in parliamentarians is where they can hear a good idea from another party, and say, "You know what, that's a good idea. They are doing something with which I agree." I think that is something Pierre will develop over time, but he's not there yet quite clearly, because this is absolutely, unequivocally, undoubtedly, the most significant step forward in terms of accountability and transparency that has happened in decades. I will continue to move in this direction because I have a love of Parliament and a respect for Parliament and parliamentarians. That explains my affection for Mr. Poilievre, who is actually a pretty good parliamentarian.

Let's be very clear on this one. There is common ground, notwithstanding the banter and noise on some of this stuff. This is good for Parliament. This is good for accountability. This committee that ought to be championing more accountability and transparency, ought to be supportive of these changes because it is better for Parliament. It will mean that all parliamentarians—government and opposition—will have more ability to hold our government and future governments to account.

● (1200)

The Chair: Thank you, Minister.

Minister, I know that you had guaranteed your appearance here for one hour. We're just a few minutes over that. to complete our round we have Mr. Blaikie for three minutes. Would you agree to stay here, since I know you enjoyed the first exchange so much, for an additional three minutes while Mr. Blaikie has a couple of questions?

Hon. Scott Brison: I just hope he gives me a chance to get a word in. Mr. Poilievre didn't.

Mr. Blaikie.

Mr. Daniel Blaikie: Sir, you mentioned in your remarks that you're hoping that this a process we can all work well together on, because there is obviously work to do in terms of improving the process. I would say that we've been negotiating on the estimates in various ways and talking about them for the entire life of the Parliament. I do think we made some good progress in terms of good faith work last June when we agreed to a delay in the tabling of main estimates, but when we were talking about that, we were talking about doing that so that there would be more time between the budget and the main estimates for programs to receive Treasury Board approval and to be included in the departmental estimates. At no time up until a week before you tabled the main estimates this year was there ever mention of a central vote.

Then beyond that, we've said that this is actually quite different from what was conceived in the negotiations we had. Today's is a decent conversation but there are only 10 non-government parliamentarians sitting around the table. I've asked for a take-note debate on that. That's a request that you have yet to grant. You've not moved for that debate, which would actually allow all parliamentarians to participate in this conversation.

You've suggested that you're going to take some measures to provide more legal clarity in terms of the authorities granted by parliamentarians under vote 40 by including the schedule in the appropriation bill. When I asked if you would consult with the opposition parties to make sure that the wording is satisfactory, you said you would take it under advisement. So, we don't have a commitment.

You're asking for us to move forward in this process in good faith and yet when we've made requests for you to have the conversation with Parliament as a whole, and when we've asked for you to confer with us before deciding on the language of the bill, the first time you did that, it didn't go well. We weren't satisfied with that wording. The Parliamentary Budget Officer wasn't convinced that the wording was adequate. So now you're taking new measures and we're asking to be consulted so that you're not putting Parliament on the spot and so that we can actually do as you asked, which is to work together in order to have a better process.

I think there are still problems with doing all of this on a central vote. It raises the question as to why government wouldn't just have one central vote for all of the voted authorities and have a comprehensive table in the budget. One of the disadvantages of that is that it's not broken down by department then. It all appears in one vote, and the Treasury Board minister would be responsible for speaking to all government initiatives that Parliament has voting authority for. We're in effect doing that for all the new initiatives within the budget, so there are problems with the idea of a central vote even if the language of the appropriations bill is changed.

I think it's incumbent upon the government to create the opportunity for a meaningful conversation about that in Parliament. It's why I have asked for a take-note debate. I'm mystified as to why a minister who likes to talk about how open to parliamentary dialogue he is would refuse that request. I'm going to ask you one more time, particularly in light of the new information you've announced at committee today, if you will commit to having a take-note debate in the House.

The Chair: You have about five seconds to say yes or no, Mr. Minister.

Hon. Scott Brison: Great. For goodness' sake, Mr. Chair, let me finish.

I want to end this on a....

The Chair: I will if you can do it fairly quickly, because we are over time for sure.

Mr. Daniel Blaikie: I set it up as a yes-or-no question so you could be really expedient.

● (1205)

Hon. Scott Brison: Dan, you have opposition day motions. You can talk to your House leader and if they believe that...use one of your opposition days.

Mr. Daniel Blaikie: You guys are the government. You decide the business any time of day.

The Chair: I'm sorry, but I am going to stop this.

Hon. Scott Brison: I have your letter to me in which you requested the take-note debate. You say in it:

> We, in the NDP supported this change...having estimates that reflect the priorities announced by the government in its budget.

But on June 20, 2017, you voted against. Now, I appreciate your letter saying you supported it and I guess you gave us some moral support, but moral support is kind of like moral victories. I don't like moral victories. I like actual support.... But you say you supported it but then you voted against it. So whoever writes your letters in your office should check your voting record on some of those things.

The Chair: Thank you very much, Minister.

Colleagues, we will suspend for a couple of minutes before we reconvene with our departmental officials.

Minister Brison, thank you once again for appearing before us.

We'll suspend for about two minutes.

● (1205)

——————————— (Pause) ———————————

● (1205)

The Chair: Colleagues, I believe we'll reconvene now.

Mr. Pagan, I'll ask this question of you. My understanding is that you do not have any opening statements. Are you ready to go right into questions and answers? Thank you very much.

Colleagues, I would like to keep about 10 to 15 minutes reserved at the end of this meeting to go in camera for committee business. I only have one item, and that's the consideration of the draft letter that we have for the chair of the ethics commissioner. I just want some approval or direction on that, which means we should have enough time for one complete round of seven-minute interventions and probably two other five-minute interventions before we suspend and go in camera.

Madam Mendès, you have seven minutes, please.

● (1210)

Mrs. Alexandra Mendès: Thank you very much, Mr. Chair. I would like to go back to the committee issue that our colleague on the other side raised on how committees supposedly will not be able to vote on appropriations committee by committee or department by department for this specific fund of $7 billion of new programming.

Are we to understand, then, that if they want to inquire about how these monies are going to be spent, they'll have to invite whoever the departmental minister is to their committee but they will have no voting on the appropriation? Is that how it's going to work? It's us at OGGO who will be voting for it? I'd like to understand this clearly.

Mr. Brian Pagan: Upon tabling of the main estimates, the relevant votes are referred to the appropriate committees. In this case, the budget implementation vote is a central vote of Treasury Board, so that vote has been referred to OGGO.

Now, that said, committees, when they're studying the estimates, can invite officials from any department and ask any questions they want about the estimates process. Each committee will conclude their deliberations by providing a report to the House. If they don't report, they're deemed to have reported. If there are any comments or suggestions with respect to vote 40, those would come from this committee, from OGGO.

Again, that said, upon introduction of the supply bill, any member can introduce a motion that affects any part of the estimates. Any member can introduce a motion to reduce or to negate an item that is identified in the budget implementation vote, as has been clearly itemized in annex A1.

As an example, using the president's reference to the opioid crisis, if that funding did not meet the will of the House, any member could introduce a motion to strip that item from the vote, and likewise any other item or initiative that is otherwise—

Mrs. Alexandra Mendès: But not to increase it?

Mr. Brian Pagan: But not to increase it.

Mrs. Alexandra Mendès: Okay. Just so I understand, if there is an increase that is needed, it will have to come back as a whole new request.

Mr. Brian Pagan: It would be proposed by the executive and would be voted on by Parliament in a subsequent supplementary estimates, yes.

Mrs. Alexandra Mendès: Okay. That makes it a little clearer.

Also, going forward, would this mean that whatever new programming has been allocated to departments through this vote 40 next year would be then delegated to the department as part of their normal programming?

Mr. Brian Pagan: Right. Thank you. That's a very excellent question, because in fact many of these initiatives, as we would see in the budget table, are profiled over a number of years, so the initial allocation is to Treasury Board for disbursement out to departments upon approval—

Mrs. Alexandra Mendès: To start the process.

Mr. Brian Pagan: Exactly. Thereafter, they become part of the reference levels of those departments and would clearly be the responsibility of the appropriate minister for study at the appropriate committee and they—

Mrs. Alexandra Mendès: They would be part of—

Mr. Brian Pagan: —would be reflected in future years in main estimates of that department.

Mrs. Alexandra Mendès: Also as part of their departmental reports, I'm guessing.

Mr. Brian Pagan: That's correct.

Mrs. Alexandra Mendès: That may be also something that will be updated monthly?

A voice: Annually.

Mrs. Alexandra Mendès: Or annually? Yes. Okay. That clarifies some things.

There's another question that the Parliamentary Budget Officer raised. It's about the amounts related to the $7 billion. As of April 16, there was only $221 million of the total of $7 billion that had been spread over 13 unique measures. He's comparing it with last year's where, at the same level, 19 budget measures of $994 million had been allocated, more or less at the same time. His claim is that we will be presented with fewer vetted budgetary measures. What is your comment to that? How would you explain this?

Mr. Brian Pagan: It is really a function of timing. As this committee would know, the budget was tabled on February 27. There was an adjournment of Parliament thereafter for a two-week break in March. They came back for two weeks, and then there was a two-week break for Easter, returning on April 16.

The reality is, Parliament was not in session, and there were no Treasury Board meetings, so there were, quite frankly, very few opportunities for Treasury Board to conduct budget 2018 business. To table the document on April 16 meant that we were completing it by the end of March. Last year, we tabled the supplementary estimates in late April or early May, so there was a longer period after the budget for Treasury Board to conduct its business.

It is a function of timing. Every year there is a different parliamentary calendar, and this will impact our ability to bring the budget items to Treasury Board. It depends on that schedule.

● (1215)

The Chair: Thank you very much.

Ms. Ratansi, you have one minute.

Ms. Yasmin Ratansi: I have a quick question, please.

Did you ever do bottom-line budgeting?

Mr. Brian Pagan: We'd be going back many, many years.

Ms. Yasmin Ratansi: You've always done line-by-line budgeting.

Mr. Brian Pagan: Our current process is such that Treasury Board will vet an initiative and provide approval, and then thereafter, there can be a review or a renewal. If it is time-limited funding, we call those sunsetters. In fact, many of the initiatives Ms. Mendès referred to were sunsetting initiatives that have been reviewed by Treasury Board where we made recommendations to the Minister of Finance, and he accepted those recommendations and has included them in the budget.

There is a review of initiatives, either because they are sunsetting or because we will periodically go in to evaluate and review programming.

The Chair: Thank you very much.

[*Translation*]

Mr. Deltell, you have seven minutes.

Mr. Gérard Deltell: Thank you very much, Mr. Chair.

Ladies and gentlemen, what a pleasure to see you all again. I have three topics to discuss with you.

First of all, I'd like to talk about the financial aspect of the G7 Summit. Before I do, however, I would like to reassure all those present that our party is of course in favour of the G7 and this summit. What's more, we MPs for the Quebec City region are delighted to be the hosts, but obviously we have certain concerns given the public spending involved.

I would also like to reiterate that we unequivocally support every expenditure that serves to protect our citizens and allow those who wish to protest to do so safely. We do recognize, however that this will mean spending a lot of money.

The baseline budget to host the G7 is approximately $340 million, which is clearly a huge sum of money. We do understand that these are the usual amounts involved when one hosts a G7 Summit. Costs go up every year. At first glance, there aren't any unnecessary expenditures.

I am from Quebec City and I obviously know a lot of people over there. These people know me and talk to me, and they are very worried that the expenses might get out of control, which would be regrettable.

I have a question for the Treasury Board Secretariat representatives. Is there someone within the Secretariat that keeps track of all G7 expenditures, or is it up to each department?

Mr. Brian Pagan: Mr. Deltell, thank you for the question.

The G7 Summit is an event that involves many departments. I think I am correct in saying that the expenditures were presented to Parliament in the supplementary estimates (C) of the last fiscal year, as were the services to be provided by the RCMP,

[*English*]

Canada Border Services Agency, Public Safety, and Citizenship and Immigration.

[*Translation*]

Many departments have has to coordinate their efforts to organize this event. They have all identified their needs.

At the Treasury Board Secretariat, we studied the plans and programs submitted by the departments and we have done our due diligence to establish that the amounts are correct. There will be a follow-up to ensure that each department keeps to its budget.

● (1220)

Mr. Taki Sarantakis: Each department is responsible for its own initiatives.

Mr. Gérard Deltell: Is there someone within Treasury Board who keeps a watchful eye over each of these expenditures?

Please understand that we are in favour. We want it to happen. That said, when we are faced with such a deadline and security issues, and you can never have too much security, there is a risk of overspending. I am not saying that this is what is happening, but the process is ongoing. As I have said, however, we are in favour.

Is there someone at Treasury Board who has the role of watch dog?

Mr. Brian Pagan: There is a department that has the role of leader for each horizontal initiative. Consequently, we have a program at Treasury Board to follow up with that department.

Mr. Gérard Deltell: Right. As I have previously stated, we want things to work, but we do not want things to cost too much.

I would like now to talk about computers and the Canadian Digital Service.

We know that whenever we talk about computers or digital services, expenses will be high. We all realize this. I am not doing too badly because I have had the same phone for three years now. I believe that it is the very first time that one of my electronic devices has lasted more than two years. With digital devices, however, costs have a way of getting out of control. We subscribe to a company's services because we have to change our equipment every two years.

Keeping to this topic, I see that Treasury Board is asking for $233 million in vote 1 of the main estimates. Last year, it was $222 million. The Canadian Digital Service is responsible for most of the increase. Just as I asked regarding the G7, I would like to know if you are following up on these expenses.

If you are, what kind of work are you doing to ensure that there are no cost overruns or, as we say in Quebec, to keep us from falling into a digital hell?

[*English*]

Ms. Renée LaFontaine (Chief Financial Officer and Assistant Secretary, Corporate Services Sector, Treasury Board Secretariat): Perhaps I can start on that one. Are we referring to the Canadian digital service? The Canadian digital service is actually funded for three years. We are tracking their budget. This is one of the sunsetting programs Brian talked about earlier. In the second year, they've increased our main estimates by about $8.5 million and we're tracking their results. In the third year, as they grow—they are hiring experts focused on the new digital economy, and we will be spending $12 million next year—they have to go back to cabinet and demonstrate the results they've achieved. New decisions will be made on an ongoing basis.

Does that answer your question?

Mr. Gérard Deltell: Yes. What I would like to know is how sure we are that this process will work and will stay more than two years. As I said to you, each and every time, when it's time for us to spend on an informatics issue, in our private life or for the business...For the government it's ticket season—you renew it every two years and then you have to spend another $1 million. How sure are we that it will stay more than two years?

Ms. Renée LaFontaine: Well, the money sunsets, and the other thing is that we have set up indicators. What we consider to be success for the Canadian digital service is that the applications they develop, the services they improve, the digitization that they accomplish are completed on time with a reasonable cost per transaction. Hopefully, the service costs will go down, because that's the whole point of digitization, and there will be satisfaction from the clients that Canadians are serving.

The Chair: Thank you very much.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you.

From the beginning of the Parliament, in all of the presentations and documents prepared for the President of the Treasury Board's discussion of changes to the estimates, there was no discussion of having a central vote. A central vote seems to actually be about solving a different problem. It's not about information for parliamentarians. Rather, it's about accelerating the time between the announced funding for a program and getting that program delivered. This is why I think it stands to reason that the idea of a central vote didn't come up in those documents. At what point did Treasury Board begin contemplating the idea of having one central vote for all the new budget initiatives?

● (1225)

Mr. Brian Pagan: As I think we all know, there have been numerous discussions on the challenges related to the estimates process. The minister referred to a commentary from a number of sources including *The Globe and Mail*, which referred to the previous practices as "discredited".

Mr. Daniel Blaikie: Sure, and we're agreed on the need for change. I'm just asking at what point in the process did the Treasury Board contemplate a central vote for new budget initiatives?

Mr. Brian Pagan: In those discussions there were a number of different issues, and timeliness is one of them, but I don't believe it was ever the overriding objective. The president, if he were here, would insist on the need to bring clarity, more transparency, and alignment.

Mr. Daniel Blaikie: At what point was the notion of a central vote developed as the mechanism to deliver new budget items?

Mr. Brian Pagan: Following the changes to the standing order last June, we worked with the Department of Finance to identify what options were available to us. The changes to the standing order were limiting in the sense that they required us to table on or before April 16. Finance was not aware of when the budget would happen; that developed over the fall and early winter. Once it became apparent that we were looking at a late-February budget, that's when we got—

Mr. Daniel Blaikie: The idea was on the table for about 10 months, but it hadn't been mentioned to opposition parties.

Mr. Brian Pagan: The discussions began with Finance immediately following the changes to the standing order last June. Discussions would have intensified over the fall and early winter.

Mr. Daniel Blaikie: That's about 10 months.

Mr. Brian Pagan: That's the fall and early winter.

Mr. Daniel Blaikie: Sure.

By using a central vote to fund a whole bunch of initiatives across departments, what, for you, is the distinction between what's in the departmental estimates now? Why couldn't you just lump all the voted authorities into one vote if you had a comprehensive enough table telling parliamentarians what the intended spending was? What's the relevant difference now between items included in departmental estimates and what's included in the central vote for new budget initiatives?

Mr. Brian Pagan: Again, the motivation here is to present the plan. The estimates are the expenditure plan. It would be inconsistent, and I think inappropriate, if we were to present main estimates that did not reflect the budget. We have a budget that says we're going to spend $7 billion, or hope to spend $7 billion this year.

Mr. Daniel Blaikie: If you had one central vote for the entirety of what you needed voted authorities for, that would also be presenting a plan.

Mr. Brian Pagan: Yes, there are jurisdictions that do that. We don't think it's the best practice.

Mr. Daniel Blaikie: It's a bad model, but it's a model that has now been adopted for all the new priority items that the government says are important, so how could it be a bad model for what was announced last year and a good model for what was announced this year?

Mr. Brian Pagan: Again, I would compare this to the $5.2 billion in our other central votes, where Parliament is providing Treasury Board with the authority to make allocations as you're voting on this —operating budget carry-forward, capital budget carry-forward, pay lists, TB vote 20, which is public service health insurance. We can't tell you which departments, what initiatives, or what amounts. With this budget implementation vote, we can because of the close coordination—

Mr. Daniel Blaikie: No, but part of that is you have a clear purpose: for instance the central vote for pay list requirements. You know it's going to be used to pay out because people go on mat leave or because they need to be paid out severance; you just don't know which department it's going to happen in. That's very different from saying that there's a long list of new priority government programs for the year, and we're going to lump all of that into one central vote.

Both in scale, because those votes also don't approach anywhere near—collectively they're about $5 billion but they're not, individually, anywhere near over $7 billion—so there's a clear difference in scale, but there's also a clear difference in content.

Mr. Brian Pagan: It's aggregated in the single vote, that's for sure, but it is by department, by initiative, and by dollar amount.

Mr. Daniel Blaikie: Prior to this, if I as a parliamentarian were studying a government's new budget initiative, I would be asking questions, either in the main estimates process but more likely in the supplementary estimates process, and I'd be asking questions of a minister or of department officials who had the benefit of having gone through the Treasury Board costing process. They would know how many staff they were going to hire, what their capital requirements were, where the offices would be located. Until a program has been through the Treasury Board approval process, details like that are not finalized. Is that the case?

Mr. Brian Pagan: Details like that are not finalized.

Mr. Daniel Blaikie: If I were to ask questions on that, about programs in vote 40, it's possible that those answers are, in principle, not available to me because the departments have not yet developed those answers.

Mr. Brian Pagan: In principle, perhaps, but—

● (1230)

Mr. Daniel Blaikie: That's a significant change from the way we've done parliamentary approval for funding up to now. Up to now, parliamentarians had access to those answers, if they asked those questions, because those answers existed. Now we're talking about a process whereby that due diligence has not been done, so parliamentarians do not get the benefit of that rigorous costing and the answers to those questions, and are being asked to vote approval notionally for the program and let the government figure out later what those important details are going to be. There is no opportunity for this kind of scrutiny after the fact. You're going to table the receipts. You're going to tell us, maybe, how the money was spent, but there's no opportunity for parliamentarians then to interrogate that.

Mr. Brian Pagan: On that point, Mr. Blaikie, I would argue that in fact there is.

Committees are able to study the estimates process throughout the parliamentary cycle, and they can call officials at any time to ask any questions about programming, whether it's approved or in principle.

We have itemized a list here of the budget. The president has referred to some examples, but we haven't had a question about what any—

Mr. Daniel Blaikie: It's all post-approval, so that's Parliament studying the money after it's been spent. It's not Parliament trying to get those answers beforehand.

Mr. Brian Pagan: Well, that's part of oversight.

Mr. Daniel Blaikie: But isn't that part of the fundamental role of Parliament, to provide that kind of scrutiny—

The Chair: Excuse me, Mr. Blaikie we'll have to leave that question unanswered. We have to move on to Monsieur Ayoub.

[*Translation*]

Mr. Ayoub, you have seven minutes.

Mr. Ramez Ayoub: Thank you, Mr. Chair.

I'm going to talk about a topic similar to Mr. Blaikie's line of questioning, but different nonetheless.

I want to talk about confidence. We see a shift in paradigms and a seachange. The minister has come before us a few times now and has spoken about his desire for transparency and for more information. We are striving to be more transparent, but this does not seem to be enough for the opposition MPs. A little while ago, the minister spoke about his intentions and he did all he could to reassure us.

For those of you who work within government or the public service, how certain do you feel of being able to provide clear and precise information to parliamentarians? Are we improving the situation? Do you think that things are being hidden from us? Accusations were made earlier. It was said that we had a slush fund, that we wanted to keep things hidden and that we had our hand in the cookie jar.

I would like to know what do you think. In your day-to-day activities and when you work with the minister, how sure are you that you are helping things along for the greater benefit of Canada and of Parliament?

Mr. Brian Pagan: Thank you for the question, Mr. Ayoub.

In the whole, we have made rather good progress to prove our commitment towards transparency and clarity.

[*English*]

The president cited a number of the steps we have taken over the last number of years as part of his mandate to improve reporting and clarity of public finances. It began in the 2016-17 estimates process where we provided a high level of reconciliation to the budget in the supplementary estimates (A). We brought forward a number of the budget initiatives.

In that year, we also introduced for the first time, in the final supplementary estimates of the year, a table that indicated all of the money that had been approved by Treasury Board and by Parliament but was not going to be spent. We call this "lapsed funding". We were identifying, for the benefit of parliamentarians, the money you had approved but that would not be available for spending by departments. Again, the PBO cited that as a very important step forward in putting the legislature on a level footing with the executive.

We have continued, because of the changes in the standing order, to bring a much-needed coherence to the way in which spending information is presented to Parliament. We had the budget this year in February that laid out the objectives of the government. In that budget, for the first time, there was a detailed table that itemized, by department, by initiative, and by amount, exactly what was going to be spent to support the government's priorities. The expenditure plan that is included in these main estimates reflects that budget. We have brought a level of coherence between the two documents that simply never existed before.

I'm very comfortable that we have begun a process that shows a commitment to alignment with the budget and to transparency for Parliament, with a great level of detail, and that there is a way forward to achieve even greater coordination, clarity, and transparency in terms of what we're doing.

● (1235)

[*Translation*]

Mr. Ramez Ayoub: Will this progress increase Canadians' confidence and improve our system, which is almost as good as the best there is, which is Australia's? Are we on the right path towards transparency, towards the sharing of improved data and alignment?

This involves a change in culture, and change is always difficult. What are the next steps and possible bumps on the road to perfection, in your opinion, if this is indeed possible?

Mr. Brian Pagan: Thank you, Mr. Ayoub.

I can indeed confirm that change is very difficult, especially in this context. You are right; in our work, we aim to make the main estimates more transparent and clear, and then align them with the federal budget.

As to the next steps, you may remember that the minister suggested a reform program in the fall of 2016. He set deadlines, and we have been making good progress in aligning ourselves with the budget. We have accomplished this objective.

Then comes the question of parliamentary oversight. Currently, this oversight is done through votes on operating expenses, grants and contributions and capital expenditures. The Treasury Board president has proposed other models for program objectives. This is an interesting avenue for us.

Lastly, as to performance and the need for more detailed reports to be submitted to Parliament, the president has mentioned the government of Canada's Infobase, a tool that provides any necessary information on expenditures.

[*English*]

The Chair: Thank you very much.

We'll have time for two more five-minute interventions, starting with Mr. Kelly.

Mr. Pat Kelly: Thank you, Mr. Chair.

Some of the programs laid out in table A2.11 are really broadly written. They don't really read like a specific expenditure that one could readily understand as a particular project. When you have headings that appear multiple times, with funds allocated to ensure "Security and Prosperity in the Digital Age" or to ensure "Rules-Based and Responsible Trade", these are more descriptions of method in some cases, such as for things like "Evidence-Based Policy". That's how you do something. It's not an actual project in and of itself.

Under these very broad headings, which appear throughout that table, how many different projects or different specific initiatives are funded or could be funded? Are each of these supposed to represent just one thing? Or are there multiple projects under one of these loose headings?

● (1240)

Mr. Brian Pagan: I do take the point that the description in A2.11 is a headline, and that underneath that there's a great deal of detail. We will find that detail in, for example, the annex to the estimates that indicates the approvals already provided by Treasury Board. There's a description of these measures using the same title, the same headline, that you see there.

The other point—and you're quite right—is that some of these headlines or titles are repeated in different departments. That is by design in the budget, because the intention is to allocate certain sums of money to each department, but in some cases we're allocating money to these various departments for the same initiative. We call that "horizontal initiatives".

The earlier question from Mr. Deltell is an example. Security for the G7 is an exercise that is going to involve the RCMP, the Canada Border Services Agency, Public Health, and Citizenship and Immigration. Where there are initiatives such as this that are going to a number of different departments, you will see the same title in that annex. That is for maximum transparency.

Another example is the opioid crisis. Again, the president cited that. He was referring to $154 million going to Health Canada, but in fact there will also be money for this initiative in the budget table for the CBSA, Public Health, and Stats Canada, because they will be working together as part of this initiative.

The table is very comprehensive. Again, it identifies by department, by initiative, and by dollar what they'll be provided with. In some cases, that includes some repetition.

Mr. Pat Kelly: How will this be tracked? These expenditures in vote 40 are not part of departmental plans that cannot be as easily lined up, item by item, through public accounts. How will we know, and how will we be able to determine after the fact that these funds were expended in accordance with table A2.11?

Mr. Brian Pagan: We've already begun. It will be a two-track process. In tabled estimates documents, we will be including inserts with the detail of all the allocations and descriptions. We also have an online annex that is actually up and running now, which will be updated monthly to show disbursements from vote 40: where they've gone, to which departments, for what measures, and in what amounts.

As an example of that, in the table that exists right now, we have $12.8 million for the Canadian Food Inspection Agency to support its work on inspection of domestic and imported foods and improve the risk intelligence and oversight of Canadian suppliers. There's a whole sentence there that I won't run through, but there's a fair bit of detail on each of those initiatives. So it's a two-track process.

Mr. Pat Kelly: This vote 40 exists, if I understood correctly, more or less as an expedient because there wasn't time for these $7 billion in expenditures to be properly vetted through Treasury Board. What's going to happen next year? How big will the similar vote be then?

The Chair: That question will have to be left unanswered.

Madam Ratansi may offer you an opportunity to give an answer to that.

Madam Ratansi, you have five minutes.

Ms. Yasmin Ratansi: Thank you.

I have a question that you could answer, and then maybe you could answer Mr. Kelly's question.

My concern is with the difference between the opinions of the PBO and the Auditor General. The PBO asserted that the budget implementation vote does not allow sufficient oversight by Parliament, yet you have put in measures that allow for this oversight. The oversight has been the initiatives; you've got line-by-line items; they are controlled by legislation.

I've always been aware of this fight between economists and accountants. The accountants know their debits and credits; they know what to do with them. The economists do the fun things—not the fun things, the boring things. Could you explain how we can reconcile the two to clarify to parliamentarians that we still have the ability to keep the government accountable?

Mr. Brian Pagan: Thank you, Madam Ratansi.

I don't have the Auditor General's full remarks in front of me. If I understood the gist of his comments yesterday, it was that he did not see anything particularly untoward in terms of the construct of the vote. The language in that vote wording, if we look at the language of all of the other votes of departments, is sufficiently legalese that he didn't see anything untoward there. He made very clear that, if he had any concerns, he would audit this vote, but I believe he expressed some satisfaction that the combination of the vote wording and the detailed annex made very clear what the government's intentions were in this phase.

I believe that the concern of the PBO was that there wasn't an explicit reference in the vote wording to the annex and the president made very clear today that the final supply bill will make that explicit reference to the annex by department initiative and by dollar amount, so I think that would address that issue.

● (1245)

Ms. Yasmin Ratansi: I have a question dealing with the line by line. When a line-by-line item sunsets or it's called lapsed funding, have you faced any challenges going back to Finance to say that this has lapsed or sunsetted and these guys have not used it, so can we get the money back? Normally it goes to the consolidated revenue fund. Could you explain where your challenges are?

Mr. Brian Pagan: If I had all day, yes.

Voices: Oh, oh!

It's a very important question, but it's an exceedingly complicated one because of the range of different programs and the different timetables they are on.

Your point about line by line is an important starting point. Parliament controls spending by aggregating a whole bunch of initiatives into a vote, so we do not itemize all the different spending of departments by program or by project. It is aggregated, and part of the reason the vote wording is so obtuse is to account for all the different complexities of these programs.

Underneath that, there is a great deal of control by Finance and by Treasury Board for each program and project. They're evaluated. They're reviewed. There are some that sunset, because they were designed to sunset.

There are some that lapse money; they couldn't come to an agreement with a partner or a stakeholder or another jurisdiction, and then a decision is made by Finance. They ask, what do we want to do? Do we want to move that money into a new year and pursue the initiative? We then say that the money lapses, and when it is brought forward into a different year, it's re-profiled funding. That is presented to Parliament. If we decide to go forward with an initiative, it is included in the department's main estimates, or in subsequent supplementary estimates.

Ms. Yasmin Ratansi: That is good for accountability and transparency, because previous governments have put it back into the consolidated revenue fund and reduced their deficits. This is something that will be preventable.

The Chair: We have less than 30 seconds, if you want to provide an answer to Mr. Kelly's question.

Mr. Brian Pagan: Mr. Kelly's question was about vote 40 as an expedient. I would argue that the intention here is not expediency; it is clarity and alignment. The budget said we're going to spend $7 billion this year. Parliament endorsed the budget, and we're coming forward with an expenditure plan that includes the funding in the budget.

There will be a Treasury Board process to allocate that money, and there will be full reporting. Money will not be allocated until the program is good and ready and of benefit to Canadians.

The Chair: Thank you very much.

To all of our witnesses, once again, thank you for being here, and for your candour and your answers.

There are undoubtedly going to be other questions as a result of your presentation and the minister's presentation. I would assume, Mr. Pagan, that if committee members have further questions of you and your officials, you would welcome them and you would respond in kind in writing to our clerk.

Similarly, if you have additional information that has not been discussed today but you think would be of benefit to our committee when studying the estimates process, I would encourage you, again, to send those suggestions to our clerk.

Colleagues, we are suspended now for about two minutes. We'll come back for a very quick piece of committee business. We'll go in camera, and I'd ask that the room be cleared, except for those individuals who are authorized to be here.

[*Proceedings continue in camera*]

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